

Novel Antipsychotics and Cost-Effectiveness

From a Review of Current Peer-Reviewed Literature on Cost Studies

Are Novel Antipsychotic Medications Cost Effective?

To answer this question, researchers from Mental Health QUERI examined current studies that evaluated cost differentials between second generation (or “novel”) antipsychotic medications and traditional antipsychotic medications. These studies were published in peer-reviewed publications over the past seven years.

Taken as a whole, these studies strongly support cost savings associated with novel antipsychotic medications. Twelve of the 20 studies revealed that novel antipsychotics were associated with cost savings. Of the eight remaining studies, six found no difference in cost, one found a significant increase in total costs, and one simulation of treatment of “high utilization” patients (with two relapses and/or hospitalizations within one year) reported a cost advantage for traditional depot antipsychotic medications over novel agents.

In studies indicating cost advantages, the most important factor associated with these savings was *reduced inpatient days for patients on novel agents*. Cost advantages for patients in acute stages of schizophrenia appeared within two months of starting the novel agent. Longer term cost comparisons of novel and traditional medications have not been conducted in clinical studies. However, simulation models suggest that cost advantages may continue over several years or more in certain patient populations.

Researchers at Mental Health QUERI are continually reviewing the literature for new studies directly related to cost effectiveness. The abstract of this literature review and a table that summarizes its findings are available upon request.

Studies had to focus on cost evaluation and be peer-reviewed to be included in this literature review. Details of this review can be found in *Economic Evaluations of Novel Antipsychotic Medications: A Literature Review*, by researchers at the Department of Psychiatry at the University of Arkansas for Medical Sciences and the VA HSR&D Center for Mental Healthcare and Outcomes Research in Little Rock, AR.

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